

NOTICE OF GENERAL PUBLIC INTEREST
RELEASE DATE: AUGUST 26, 2019

THE DEPARTMENT OF HEALTH CARE SERVICES (DHCS) PROPOSES TO
SUBMIT A STATE PLAN AMENDMENT (SPA) TO RESTORE COVERAGE FOR
CERTAIN OPTIONAL BENEFITS.

This notice provides information of public interest that DHCS proposes to submit SPA 19-0046 and corresponding Alternative Benefit Plan (ABP) SPA 19-0047 to the federal Centers for Medicare and Medicaid Services (CMS) to seek necessary approvals to restore coverage for certain optional benefits. The effective date for SPAs 19-0046 and 19-0047 will be January 1, 2020.

Additionally, this notice provides information of public interest with respect to Section 440.386 of Title 42 of the Code of Federal Regulations (CFR), which requires Medicaid states to publish a public notice to solicit public input regarding the amendment to the Medi-Cal ABP. DHCS provides a comprehensive set of services under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit for individuals under 21 years of age, as described by 42 CFR 440.345. DHCS will submit SPAs 19-0046 and 19-0047 to CMS to seek the necessary approval to restore coverage for certain optional benefits in the State Plan and Other 1937 Benefits Provided portion of the ABP. DHCS complied with the provisions of Section 5006 (e) of the American Recovery and Reinvestment Act of 2009 and will publish a tribal notice on August 26, 2019, and will hold a tribal webinar on August 29, 2019.

Existing law provides for a schedule of benefits under the Medi-Cal program, which includes specified outpatient services, including podiatric services, to the extent federal matching funds are provided. Welfare and Institutions Code Section 14131.10 also excludes certain optional benefits, including podiatric services, from coverage under the Medi-Cal program except for beneficiaries who qualify for EPSDT benefits; pregnant women for pregnancy-related services and services for the treatment of other conditions that might complicate the pregnancy; and beneficiaries receiving long-term care in a nursing facility that is both a skilled nursing facility or intermediate care facility.

Senate Bill (SB) 78 (Committee on Budget and Fiscal Review, Chapter 38, Statutes of 2019) amended Welfare and Institutions Code Section 14131.10 to restore certain optional benefits, effective January 1, 2020, and through December 31, 2021, unless extended by subsequent legislative action. SPAs 19-0046 and 19-0047 will restore the following optional benefits for all populations in all settings:

- Optometric and optician services, including services provided by a fabricating optical laboratory
- Audiology services
- Speech therapy services
- Podiatric services
- Incontinence creams and washes

In addition, if Assembly Bill 678 (Flora, 2019) is enacted, SPAs 19-0046 and 19-0047 will also remove the monthly two-visit limit for services by podiatrists, effective January 1, 2020. California Code of Regulations, Title 22, Section 51304 (a) limits acupuncture, audiology, chiropractic, occupational therapy, podiatric, and speech therapy to two services per month, although additional services may be provided based upon medical necessity.

DHCS projects the overall fiscal impact to result in an aggregate expenditure increase of approximately \$35 million in total funds (\$12.1 million state general funds (SGF) /\$22.9 million federal funds).

Pursuant to SB 78, continuation of these optional benefits beyond December 31, 2021, is dependent upon subsequent legislative action that will include an assessment of the SGF for Fiscal Years 2021-22 and 2022-23. SPAs 19-0046 and 19-0047 are subject to approval by CMS.

Public Review and Comment

Interested parties may submit written comments, request copies of the statute, and/or request copies of the written comments to Jim Elliott, Chief, Policy Development and Analytics Team, Benefits Division; DHCS; MS 4601; P.O. Box 997417; Sacramento, CA 95899-7417. All written comments must be received by September 26, 2019.